

OFFICE OF GOVERNMENT ETHICS AUTHORIZATION ACT OF 1996

MAY 29, 1996.—Ordered to be printed

MAY 29, 1996.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CANADY of Florida, from the Committee on the Judiciary,
submitted the following

R E P O R T

[To accompany H.R. 3235]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 3235) to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for 3 years, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

TABLE OF CONTENTS

Purpose and Summary	Page 1
Background and Need for the Legislation	2
Hearings and Subcommittee Consideration	4
Committee Consideration and Vote	4
Committee Oversight Findings	4
Committee on Government Reform and Oversight Findings	5
New Budget Authority and Tax Expenditures	5
Congressional Budget Office Cost Estimate	5
Inflationary Impact Statement	7
Section-by-Section Analysis and Discussion	7
Changes in Existing Law Made by the Bill, as Reported	10

PURPOSE AND SUMMARY

H.R. 3235 extends the authorization of the Office of Government Ethics (“OGE”) for a three year period which will expire at the close of fiscal year 1999. This authorization extension ensures that OGE will continue to provide advice and guidance on matters of

conflict of interest, financial disclosure, standards of ethical conduct and post-employment restrictions. The bill also provides OGE with gift acceptance authority and makes certain technical changes to the ethics laws.

BACKGROUND AND NEED FOR THE LEGISLATION

Congress created the Office of Government Ethics within the Office of Personnel Management as part of the Ethics in Government Act of 1978 (Public Law 95-521). OGE was originally authorized for five years, through September 30, 1983.

A. 1983 AND 1988 REAUTHORIZATIONS

Public Law 98-150 reauthorized OGE for another five year period in 1983. As passed by the Committee on the Judiciary, the Committee on Post Office and Civil Service, and the Senate Governmental Affairs Committee, the law provided not only a five year reauthorization, but also:

- Established a five-year term for the OGE Director;

- Required a separate budget line for OGE;

- Permitted OGE to operate “in consultation with” rather than “under the general supervision of” the Office of Personnel Management;

- Permitted the OGE Director to request assistance from the Inspector General of an agency in conducting investigations involving financial disclosures; and

- Required OGE to review the financial disclosure reports of high level White House aides.

In 1988, OGE was last reauthorized for a six-year period which expired on October 1, 1994. The 1988 reauthorization (Public Law 100-598) included the establishment of OGE as a free-standing agency independent of the Office of Personnel Management (effective October 1, 1989). The 1988 reauthorization also:

- Clarified the Director’s power to recommend and order “corrective action” on the part of other agencies;

- Expanded the Director’s authority to request Inspector General assistance to include any investigation pursuant to the agency’s statutory responsibilities;

- Increased OGE’s authorized appropriations to \$2.5 million for fiscal year 1989 and to \$3 million for each of the five years thereafter; and

- Upgraded the Director’s position to Level III from Level V of the Executive Schedule.

B. DEVELOPMENTS SINCE OGE’S LAST REAUTHORIZATION

Since OGE was last reauthorized in 1988, the government ethics laws have undergone a dramatic restructuring as a result of the Ethics Reform Act of 1989 (Public Law 101-194). The 1989 Act consolidated the ethics laws applicable to all three branches of government; expanded the post-employment restrictions for employees of the Executive Branch and extended such restrictions to the legislative branch; revised the financial disclosure rules for senior government officials; authorized “certificates of divestiture” for incoming political appointees who sell assets in order to avoid conflicts of in-

terest; changed certain aspects of the laws pertaining to the acceptance of gifts, outside earned income, and outside employment; banned the receipt of honoraria by federal employees;¹ and added civil penalties to the arsenal of potential sanctions for violations of the criminal ethics laws, among other changes. Since OGE is the agency responsible for coordinating the ethics policies of the Executive Branch, these changes added substantially to OGE's workload, calling for increased employee education and counseling, the issuance of regulations, the development of new forms, and other related tasks.

In addition, OGE's responsibilities have increased since the 1988 reauthorization due to two Executive Orders. President Bush issued Executive Order 12674 on April 12, 1989, requiring the promulgation of comprehensive Standards of Conduct for the Executive Branch, and to review agency requests for supplemental regulations. President Clinton issued Executive Order 12834 on January 20, 1993, creating new post-employment rules for top political appointees and requiring OGE to assist in the Order's implementation.

C. OGE'S BUDGET AND STAFFING

In light of OGE's expanded duties, it became apparent that OGE's resources were not sufficient to accomplish its mission. Congress has twice acted to ensure that OGE could effectively perform its duties under the law. Public Law 101-334 increased OGE's appropriations cap to \$5 million. Public Law 102-506 then removed OGE's appropriations cap.

The Committee believes that the increase in OGE's funding and staffing since it was last reauthorized is justified because of its status as a free-standing agency with responsibility for many administrative matters formerly handled by the Office of Personnel Management and its increased workload under relevant statutes and Executive Orders. Significantly, the growth in OGE's budget leveled off in fiscal year 93—fiscal year 96 after it had the opportunity to respond to its changed environment.

D. PRESIDENTIAL TRANSITION

OGE has a variety of responsibilities in connection with presidential transitions. This was especially true of the 1992 transition because it involved a new administration and a change in political party.

Before the election, OGE briefed the candidates' staffs on the ethics laws applicable to high-level appointees and OGE's role in the appointment process. This information is used to assist an in-

¹In *U.S. v. National Treasury Employees Union*, 115 S.Ct. 1003 (1995), the U.S. Supreme Court held that the honoraria ban (5 U.S.C. app. § 501(b)) violates the First Amendment rights of respondents, who included all Executive Branch employees below grade GS-16 of the General Schedule. High level Executive Branch employees, and all Legislative and Judicial Branch officials and employees were expressly not included in the Court's remedy. Nevertheless, Office of Legal Counsel Assistant Attorney General Walter Dellinger opined on February 26, 1996, that the Department of Justice would no longer enforce the honoraria ban. His opinion advised Attorney General Janet Reno that the Court's decision rendered the honoraria ban unenforceable. As a result of the Dellinger opinion, on remand the U.S. District Court for the District of Columbia dissolved its March 19, 1992, injunction and dismissed the case as moot.

House Rule XLVII prohibits a Member or an officer or employee of the House from receiving any honorarium.

coming administration in making its initial personnel decisions. Immediately after the election, OGE advised transition team staff and agency personnel with respect to permissible activities during the transition period.

The high level of turnover among top-level Executive Branch employees placed significant demands on OGE's resources. In addition to providing ethics advice to individuals who entered or considered entering government service as a result of the transition, OGE provided advice to outgoing government employees about negotiating for new jobs and post-employment restrictions. One indication of OGE's increased workload is the number of financial disclosure statements reviewed by the agency for individuals nominated by the President for positions requiring Senate confirmation. OGE reviewed, certified and forwarded to the Senate 256 public financial disclosure statements for such presidential nominees in 1992 alone. In 1993, that number increased to 547, with on average over 100 draft reports pending at OGE at any given time. In 1994, OGE handled 415 financial disclosure reports.

OGE is also responsible for issuing certificates of divestiture, which allow nominees who meet statutory criteria to defer taxes on capital gains if they dispose of assets in order to avoid conflicts of interest;² assisting in the establishment of qualifying blind trusts; and monitoring compliance with any ethics agreements made by appointees during the confirmation process. Presidential transitions increase the level of activity in all of these areas.

HEARINGS AND SUBCOMMITTEE CONSIDERATION

The Committee's Subcommittee on the Constitution held one day of hearings on the reauthorization of the Office of Government Ethics on May 17, 1995. Testimony was received from the Hon. Stephen D. Potts, Director, Office of Government Ethics.

On April 17, 1996, the Subcommittee on the Constitution met in open session and ordered reported the bill H.R. 3235 by voice vote, a quorum being present.

COMMITTEE CONSIDERATION AND VOTE

On April 24, 1996, the Committee met in open session and ordered reported the bill H.R. 3235 without amendment by voice vote, a quorum being present.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

² 26 U.S.C. § 1043.

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT FINDINGS

No findings or recommendations of the Committee on Government Reform and Oversight were received as referred to in clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 2(1)(3)(B) of House rule XI is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R. 3235, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 29, 1996.

Hon. HENRY J. HYDE,
*Chairman, Committee on the Judiciary,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3235, the Office of Government Ethics Authorization Act of 1996.

Because enactment of this legislation could affect direct spending, pay-as-you-go procedures would apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 3235.
2. Bill title: Office of Government Ethics Authorization Act of 1996.
3. Bill status: As ordered reported by the House Committee on the Judiciary on April 24, 1996.
4. Bill purpose: H.R. 3235 would authorize the appropriation of such sums as may be necessary to fund the Office of Government Ethics from fiscal year 1997 through fiscal year 1999. The office's authorization expired at the end of fiscal year 1994. The 1996 appropriation for the Office of Government Ethics was \$7.8 million. Additionally, the bill would:
 - (1) allow the Director of the Office of Government Ethics to accept and use certain types of gifts to further the work of the office; and
 - (2) amend the current postemployment restrictions on officers, employees, and elected officials of the executive and legislative branches of the federal government.

5. Estimated cost to the Federal Government: Enacting H.R. 3235 would affect discretionary spending, subject to appropriations of the necessary funds, as shown in the following table. The table provides two alternative spending paths: one assuming no annual adjustment for inflation, and one including such an adjustment.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Spending under current law:							
Budget authority ^a	7.8	.....	.....	.....	.....	.....	.....
Estimated outlays	7.8	0.4	.....	.....	.....	.....	.....
WITHOUT ADJUSTMENT FOR INFLATION							
Proposed changes:							
Estimated authorization .....	.....	7.8	7.8	7.8	.....	.....	.....
Estimated outlays .....	.....	7.4	7.8	7.8	0.4	.....	.....
Projected spending under H.R. 3235:							
Estimated authorization ^a	7.8	7.8	7.8	7.8	.....	.....	.....
Estimated outlays	7.8	7.8	7.8	7.8	0.4	.....	.....
WITH ADJUSTMENT FOR INFLATION							
Proposed changes:							
Estimated authorization .....	.....	8.1	8.4	8.8	.....	.....	.....
Estimated outlays .....	.....	7.7	8.4	8.8	0.4	.....	.....
Projected spending under H.R. 3235:							
Estimated authorization ^a	7.8	8.1	8.4	8.8	.....	.....	.....
Estimated outlays	7.8	8.1	8.4	8.8	0.4	.....	.....

^aThe 1996 level is the amount appropriated for that year.

The costs of this bill fall within budget function 800.

6. Basis of estimate: This estimate assumes that all funds authorized will be appropriated and that spending will occur at historical rates. The estimated authorization amounts in the above table are alternative projections for this program: the 1996 appropriation without any adjustment for inflation, and the 1996 level plus annual adjustments for inflation.

7. Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. CBO estimates that enacting H.R. 3235 could affect direct spending. Thus pay-as-you-go procedures would apply to the bill.

Direct spending could result from the provision that would allow the Director of the Office of Government Ethics to accept donations to further the work of the office. CBO expects that any contributions would be used in the same year. Therefore, we estimate that the net change in direct spending would be negligible in all years. The following table summarizes CBO's estimate of the pay-as-you-go impact of H.R. 3235.

[By fiscal year, in millions of dollars]

	1996	1997	1998
Change in outlays	0	0	0
Change in receipts	(¹)	(¹)	(¹)

Not applicable.

8. Estimated impact on State, local and tribal governments: H.R. 3235 contains no intergovernmental mandates as defined in Public Law 104-4 and would impose no direct cost, on state, local, or tribal governments.

9. Estimated impact on the private sector: The bill would impose no new private sector mandates, as defined in Public Law 104–4.

10. Previous CBO estimate: None.

11. Estimate prepared by: Federal Cost Estimate: Mark Grabowicz. State and Local Government Impact: Leo Lex. Private Sector Impact: Matthew Eyles.

12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that H.R. 3235 will have no significant inflationary impact on prices and costs in the national economy.

SECTION-BY-SECTION ANALYSIS AND DISCUSSION

Section 1. Short title

This Act may be cited as the “Office of Government Ethics Authorization Act of 1996”.

Section 2. Gift acceptance authority

This section authorizes the Director of the Office of Government Ethics to accept gifts on behalf of the agency. Federal departments and agencies are not permitted to accept gifts unless they have specific statutory authority to do so. While OGE has no such authority currently, nineteen agencies and departments have gift acceptance authority.

In testimony before the Subcommittee on the Constitution, Director Potts stated that OGE intends to primarily use its gift acceptance authority to support OGE’s education and training program in carrying out its training mission. OGE provides multi-agency ethics training sessions for federal employees at locations both in Washington, D.C., and throughout the United States. Often, there is no federal facility available that can provide adequate space and services for such training sessions. The gift acceptance authority contained in H.R. 3235 will allow OGE to accept donated non-federal facilities which in the past has been offered by state governments, local governments, and universities.

The broad gift acceptance authority for OGE in H.R. 3235 includes a requirement that the Director promulgate rules establishing criteria governing gift acceptance to ensure that any gift will not compromise the integrity of the agency’s programs or create unfavorable appearances. It is the intention of the Committee that these rules will safeguard against not only conflicts of interest, but any appearance of a conflict of interest in the acceptance of gifts by OGE.

Moreover, those agencies and departments that have gift acceptance authority are not required to prescribe regulations governing its use. While other agencies will not be required to follow the example of OGE’s regulations in making determinations about their gift acceptance authority, OGE believes that its regulations will provide useful guidance to agencies. OGE also believes the gift acceptance authority will place the agency in a better position to rec-

commend more strongly to agencies that they too consider such limiting regulations to avoid even the appearance of a conflict of interest.

Section 3. Extension of authorization of appropriations

OGE is authorized for “such sums as may be necessary for each of fiscal years 1997 through 1999.” This three year authorization would constitute a reasonable balance for OGE to pursue its purpose and mission, while taking into account OGE’s request for an authorization that does not expire in a presidential election year or a year immediately following presidential election years. In such years, OGE spends an unusually large amount of time advising the presidential nominees of both parties, as well as their respective staffs, about relevant conflict of interest statutes.

OGE’s fiscal year 1996 requested authorization was \$8.328 million, and the agency was appropriated \$7.776 million. OGE’s staffing level request has decreased from 91 in fiscal year 1996 to 87 staff for fiscal year 1997, and their requested funding level for fiscal year 1997 is \$8.078 million.

Section 4. Repeal and conforming amendments

This section repeals a requirement that a specific ethics poster³ be displayed in all federal facilities with 20 or more employees. The poster does not incorporate the current ethical standards applicable to Executive Branch employees, and OGE has developed new educational materials for employees. In addition, this section deletes a requirement in the Federal Deposit Insurance Act that requires OGE to consult with the Board of Directors of the Federal Deposit Insurance Corporation with respect to ethics regulations applicable to independent contractors working for the FDIC.

This section also contains two changes to the Ethics in Government Act. The heading of Section 401 is corrected to reflect the fact that OGE was made independent of the Office of Personnel Management in 1988. This section also moves the deadline date of OGE’s biennial report to Congress back by one month, from March 31 to April 30, in order to give OGE more time to collect and analyze year-end data.

³The Code of Ethics for Government Service reads as follows:

Any person in Government service should:

I. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government departments.

II. Uphold the Constitution, laws, and regulations of the United States and of all governments therein and never be a party to their evasion.

III. Give a full day’s labor for a full day’s pay; giving earnest effort and best thought to the performance of duties.

IV. Seek to find and employ more efficient and economical ways of getting tasks accomplished.

V. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for himself or herself or for family members, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of governmental duties.

VI. Make no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding upon public duty.

VII. Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of governmental duties.

VIII. Never use any information gained confidentially in the performance of governmental duties as a means of making a private profit.

IX. Expose corruption wherever discovered.

X. Uphold these principles, ever conscious that public office is a trust.

Section 5. Limitation on post-employment restrictions

This section adds a new limitation on post-employment restrictions entitled “political parties and campaign committees.” This change to section 207(j) of title 18 was originally proposed by the Bush Administration in July, 1991, in a technical corrections bill. The purpose of the post-employment restrictions for former staff is to prevent pecuniary gain by individuals due to a prior relationship within his or her former office. In the case of a leave of absence or resignation to work on a campaign, however, the “cooling-off” period should not apply.

Under this new section, communications or appearances made solely on behalf of a candidate, an authorized committee, a national committee, a national Federal campaign committee, a State committee, or a political party are excepted from the post-employment restrictions if made by: 1) certain senior personnel of the executive branch and independent agencies; 2) very senior personnel of the executive branch and independent agencies; and 3) Members of Congress and officers and employees of the legislative branch.⁴

This section would not otherwise change the one-year cooling-off ban. Former senior officials would still be barred from making appearances or communications on behalf of others not covered by the exception. In addition, the exception would not apply to former officers or employees of the Federal Election Commission.

Section 6. Pay level

The one-year “cooling off” provisions of section 207(c) are amended by this section of H.R. 3235. With this section, SES level 4 employees will not be subject to the post-employment restrictions of section 207 of title 18, as was the intention by the 1989 Ethics in Government Act amendments. This section amends the last clause of the definition of “senior” official in Section 207(c)(2)(A)(ii) by tying the basic rate of pay to a level equal to or greater than that of Level 5 of the Senior Executive Service.

Section 207(c) of title 18 was amended in 1989 to define “senior” officials as those officials serving: 1) in a position listed on the Executive Schedule; 2) by serving in a position in the uniformed services ranked O-7 or above; 3) by serving in particular positions within the White House Office; 4) or by serving in any position for which the basic rate of pay is equal to or greater than that of an Executive Level V. In 1989, this last group (those persons serving in any position for which the basic rate of pay is equal to or greater than that of an Executive Level V) included those in the Senior Executive Service at levels 5 and 6.

This change is necessary because Congress has chosen for purposes unrelated to post-employment restrictions to freeze the rates of pay for positions on the Executive Level Schedule. The rates of pay for positions in the Senior Executive Service (“SES”) are set by the President through Executive Order. On January 7, 1996, Executive Order 12984 increased the basic rate of pay for a SES level 4 employee to an amount above that of an Executive Level V position. The result of Executive Order 12984 is the unintended con-

⁴ 18 U.S.C. § 207(c),(d),(e) defines these categories of federal personnel.

sequence of SES level 4 employees subject to post-employment restrictions originally intended only for SES level 5 and 6 employees.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ETHICS IN GOVERNMENT ACT OF 1978

* * * * *

TITLE IV—OFFICE OF GOVERNMENT ETHICS

【OFFICE OF GOVERNMENT ETHICS】

ESTABLISHMENT; APPOINTMENT OF DIRECTOR

SEC. 401. (a) There is established an executive agency to be known as the Office of Government Ethics.

* * * * *

ADMINISTRATIVE PROVISIONS

SEC. 403. (a) Upon the request of the Director, each executive agency is directed to—

(1) * * *

* * * * *

(b)(1) *The Director is authorized to accept and utilize on behalf of the United States, any gift, donation, bequest, or devise of money, use of facilities, personal property, or services for the purpose of aiding or facilitating the work of the Office of Government Ethics.*

(2) *No gift may be accepted—*

(A) *that attaches conditions inconsistent with applicable laws or regulations; or*

(B) *that is conditioned upon or will require the expenditure of appropriated funds that are not available to the Office of Government Ethics.*

(3) *The Director shall establish written rules setting forth the criteria to be used in determining whether the acceptance of contributions of money, services, use of facilities, or personal property under this subsection would reflect unfavorably upon the ability of the Office of Government Ethics, or any employee of such Office, to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or the appearance of the integrity of its programs or any official involved in those programs.*

* * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 405. **【**There are authorized to be appropriated to carry out the provisions of this title and for no other purpose—

【(1) not to exceed \$2,500,000 for the fiscal year ending September 30, 1989;

[(2) not to exceed \$5,000,000 for the fiscal year ending September 30, 1990; and

[(3) such sums as may be necessary for each of the 4 fiscal years thereafter.] *There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1997 through 1999.*

* * * * *

REPORTS TO CONGRESS

SEC. 408. The Director shall, no later than [March 31] *April 30* of each year in which the second session of a Congress begins, submit to the Congress a report containing—

(1) * * *

* * * * *

ACT OF JULY 3, 1980

AN ACT To provide for the display of the Code of Ethics for Government Service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That, under such regulations as the Administrator shall prescribe, each agency shall display in appropriate areas of Federal buildings copies of the Code Of Ethics for Government Service.

[SEC. 2. (a) The Administrator shall provide for the publication of copies of such Code of Ethics and for their distribution to agencies for use under the first section of this Act.

[(b) The Administrator may accept on behalf of the United States any unconditional gift made for purposes of this Act.

[SEC. 3. For purposes of this Act—

[(1) the term “agency” means an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, and the Postal Rate Commission;

[(2) the term “Administrator” means the Administrator of the General Services Administration;

[(3) the Code of Ethics for Government Service shall read as follows—

[CODE OF ETHICS FOR GOVERNMENT SERVICE

[Any person in Government service should:

[I. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.

[II. Uphold the Constitution, laws, and regulations of the United States and of all governments therein and never be a party to their evasion.

[III. Give a full day’s labor for a full day’s pay; giving earnest effort and best thought to the performance of duties.

[IV. Seek to find and employ more efficient and economical ways of getting tasks accomplished.

[V. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remunera-

tion or not; and never accept, for himself or herself or for family members, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of governmental duties.

【VI. Make no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding on public duty.

【VII. Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of governmental duties.

【VIII. Never use any information gained confidentially in the performance of governmental duties as a means of making private profit.

【IX. Expose corruption wherever discovered.

【X. Uphold these principles, ever conscious that public office is a public trust.

Your agency ethics official and the Office of Government Ethics are available to answer questions on conflicts of interest; and

【(4) the term “Federal building” means any building in which at least 20 individuals are regularly employed by an agency as civilian employees.

【SEC. 4. The provisions of this Act shall take effect October 1, 1980. There shall be no costs imposed on the Federal Government for the printing, framing or other preparation of the Code of Ethics for Government Service under this Act.】

SECTION 12 OF THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 12. (a) * * *

* * * * *

(f) CONFLICT OF INTEREST.—

(1) * * *

* * * * *

(3) REGULATIONS CONCERNING INDEPENDENT CONTRACTORS.—The Board of Directors【, with the concurrence of the Office of Government Ethics,】 shall prescribe regulations applicable to those independent contractors who are not deemed, under paragraph (1)(B), to be employees of the Corporation for purposes of title 18, United States Code, governing conflicts of interest, ethical responsibilities, and the use of confidential information consistent with the goals and purposes of titles 18 and 41, United States Code. Any such regulations shall be in addition to, and not in lieu of, any other statute or regulation which may apply to the conduct of such independent contractors.

* * * * *

SECTION 207 OF TITLE 18, UNITED STATES CODE

§ 207. Restrictions on former officers, employees, and elected officials of the executive and legislative branches

(a) * * *

* * * * *

(c) ONE-YEAR RESTRICTIONS ON CERTAIN SENIOR PERSONNEL OF THE EXECUTIVE BRANCH AND INDEPENDENT AGENCIES.—

(1) RESTRICTIONS.—In addition to the restrictions set forth in subsections (a) and (b), any person who is an officer or employee (including any special Government employee) of the executive branch of the United States (including an independent agency), who is referred to in paragraph (2), and who, within 1 year after the termination of his or her service or employment as such officer or employee, knowingly makes, with the intent to influence, any communication to or appearance before any officer or employee of the department or agency in which such person served within 1 year before such termination, on behalf of any other person (except the United States), in connection with any matter on which such person seeks official action by any officer or employee of such department or agency, shall be punished as provided in section 216 of this title.

(2) PERSONS TO WHOM RESTRICTIONS APPLY.—(A) Paragraph (1) shall apply to a person (other than a person subject to the restrictions of subsection (d))—

(i) employed at a rate of pay specified in or fixed according to subchapter II of chapter 53 of title 5,

(ii) employed in a position which is not referred to in clause (i) and for which the basic rate of pay, exclusive of any locality-based pay adjustment under section 5302 of title 5 (or any comparable adjustment pursuant to interim authority of the President), is equal to or greater than the rate of basic pay payable for [level V of the Executive Schedule,] *level 5 of the Senior Executive Service*,

* * * * *

(j) EXCEPTIONS.—

(1) * * *

* * * * *

(7) *POLITICAL PARTIES AND CAMPAIGN COMMITTEES.*—(A) *Except as provided in subparagraph (B), the restrictions contained in subsections (c), (d), and (e) shall not apply to a communication or appearance made solely on behalf of a candidate in his or her capacity as a candidate, an authorized committee, a national committee, a national Federal campaign committee, a State committee, or a political party.*

(B) *Subparagraph (A) shall not apply to—*

(i) *any communication to, or appearance before, the Federal Election Commission by a former officer or employee of the Federal Election Commission; or*

(ii) *a communication or appearance made by a person who is subject to the restrictions contained in subsections (c), (d), or (e) if, at the time of the communication or appearance, the person is employed by a person or entity other than—*

(I) *a candidate, an authorized committee, a national committee, a national Federal campaign committee, a State committee, or a political party; or*

(II) *a person or entity who represents, aids, or advises only persons or entities described in subclause (I).*

(C) *For purposes of this paragraph—*

(i) *the term “candidate” means any person who seeks nomination for election, or election, to Federal or State office or who has authorized others to explore on his or her behalf the possibility of seeking nomination for election, or election, to Federal or State office;*

(ii) *the term “authorized committee” means any political committee designated in writing by a candidate as authorized to receive contributions or make expenditures to promote the nomination for election, or the election, of such candidate, or to explore the possibility of seeking nomination for election, or the election, of such candidate, except that a political committee that receives contributions or makes expenditures to promote more than 1 candidate may not be designated as an authorized committee for purposes of subparagraph (A);*

(iii) *the term “national committee” means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level;*

(iv) *the term “national Federal campaign committee” means an organization that, by virtue of the bylaws of a political party, is established primarily for the purpose of providing assistance, at the national level, to candidates nominated by that party for election to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;*

(v) *the term “State committee” means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level;*

(vi) *the term “political party” means an association, committee, or organization that nominates a candidate for election to any Federal or State elected office whose name appears on the election ballot as the candidate of such association, committee, or organization; and*

(vii) *the term “State” means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.*

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